

## MICHIGAN MINIMUM WAGE LAW

ACT 154 of the Public Acts of 1964

An act to fix minimum wages for employees within this state; to prohibit wage discrimination; to provide for the administration and enforcement of this act; and to prescribe penalties for the violation of this act.

HISTORY: Am. 1971, p. 107, Act 62, Eff. Mar. 30. 1972.

The people of the State of Michigan enact:

### **408.381 Minimum wage law of 1964; short title. (M.S.A. 17.255(1))**

Sec. 1. This act shall be known and may be cited as the "minimum wage law of 1964".

### **408.382 Same; definitions. (M.S.A. 17.255(2))**

Sec. 2. As used in this act:

- (a) "Commissioner" means the director of the department of consumer and industry services.
- (b) "Employee" means an individual not less than 16 years of age employed by an employer on the premises of the employer or at a fixed site designated by the employer, and includes a minor employed under section 15(1) of the youth employment standards act, 1978 PA 90, MCL 409.115.
- (c) "Employer" means a person, firm, or corporation, including the state and its political subdivisions, agencies, and instrumentalities, and a person acting in the interest of the employer, who employs 2 or more employees at any 1 time within a calendar year. An employer shall be subject to this act during the remainder of that calendar year.
- (d) "Employ" means to engage, suffer, or permit to work.

HISTORY: Am. 1966, p. 383, Act 269, Imd. Eff. July 12,; - Am. 1974, p. , Act 304, Eff. Apr. 1, 1975; - Am. 1978, Act 135, Eff. Mar. 30, 1979; - Am. 1980; Act 97, Eff. Apr. 17, 1980, - Am. 1997, Act 2, Imd. Eff. Mar. 12, 1997.

### **408.383 Prohibited rate. (M.S.A. 17.255(3))**

Sec. 3. No employer shall pay any employee at a rate of less than prescribed in this act.

HISTORY: Am. 1966, p. 383, Act 269, Eff. Mar. 1, 1967.

### **408.384 Minimum hourly rates; changes in cost of living. (M.S.A. 17.255(4))**

Sec. 4. Subject to the exceptions specified in this act, the minimum hourly wage rate shall be:

- (a) Beginning January 1, 1981 \$3.35
- (b) Beginning May 1, 1997 \$4.75
- (c) Beginning September 1, 1997 \$5.15

HISTORY: Am. 1970, p. 91, Act 36, Imd. Eff. June 24; - Am. 1974, p. , Act 304, Eff. Apr. 1, 1975; - Am. 1997, Act 1 & Act 2, Imd. Eff. Mar. 12, 1997.

### **408.384a Compensation for overtime; exclusions, compensatory time (M.S.A. 17.255 (4a))**

Sec. 4a.(1) Except as otherwise provided in this section, an employee shall receive compensation at not less than 1-1/2 times the regular rate at which the employee is employed for employment in a workweek in excess of 40 hours.

Sec. 4a Continued

- (2) The state or a political subdivision, agency, or instrumentality of the state does not violate subsection (1) with respect to the employment of an employee in fire protection activities or an employee in law enforcement activities, including security personnel in correctional institutions, if any of the following applies:
  - (a) In a work period of 28 consecutive days, the employee receives for tours of duty, which in the aggregate exceed 216 hours, compensation for those hours in excess of 216 at a rate not less than 1-1/2 times the regular rate at which the employee is employed. The employee's regular rate shall not be less than the statutory minimum hourly rate.
  - (b) For an employee to whom a work period of at least 7 but less than 28 days applies, in the employee's work period the employee receives for tours of duty, which in the aggregate exceed a number of hours which bears the same ratio to the number of consecutive days in the employee's work period as 216 bears to 28 days, compensation for those excess hours at a rate not less than 1-1/2 times the regular rate at which the employee is employed. The employee's regular rate shall not be less than the statutory minimum hourly rate.
  - (c) If an employee engaged in fire protection activities would receive overtime payments under this act solely as a result of that employee's trading of time with another employee pursuant to a voluntary trading time arrangement, overtime, if any, shall be paid to employees who participate in the trading of times as if the time trade had not occurred. As used in this subdivision, "trading time arrangement" means a practice under which employees of a fire department voluntarily substitute for one another to allow an employee to attend to personal matters, which practice is neither for the convenience of the employer nor because of the employer's operations.
- (3) The state or a political subdivision, agency, or instrumentality of the state engaged in the operation of a hospital or an establishment which is an institution primarily engaged in the care of the sick, the aged, or the mentally ill or defective who reside on the premises does not violate subsection (1) if both of the following conditions are met:
  - (a) Pursuant to a written agreement or written employment policy arrived at between the employer and the employee before performance of the work, a work period of 14 consecutive days is accepted instead of the workweek of 7 consecutive days for purposes of overtime computation.
  - (b) For the employee's employment in excess of 8 hours in a workday and in excess of 80 hours in the 14-day period, the employee receives compensation at a rate of 1-1/2 times the regular rate, which rate shall be not less than the statutory minimum hourly rate at which the employee is employed.

Sec. 4a Continued

- (4) Subsections (1), (2) and (3) shall not apply to any of the following:
  - (a) An employee employed in a bona fide executive, administrative, or professional capacity, including an employee employed in the capacity of academic administrative personnel or teacher in an elementary or secondary school. However, an employee of a retail or service establishment is not excluded from the definition of employee employed in a bona fide executive or administrative capacity because of the number of hours in the employee's workweek which the employee devotes to activities not directly or closely related to the performance of executive or administrative activities, if less than 40% of the employee's hours in the workweek are devoted to those activities.
  - (b) An individual who holds a public elective office.
  - (c) A political appointee of a person holding public elective office or a political appointee of a public body, if the political appointee described in this subdivision is not covered by a civil service system.
  - (d) An employee employed by an establishment which is an amusement or recreational establishment, if the establishment does not operate for more than 7 months in a calendar year.
  - (e) An employee employed in agriculture, including farming in all its branches, which among other things includes: the cultivation and tillage of the soil; dairying; the production, cultivation, growing, and harvesting of agricultural or horticultural commodities; the raising of livestock, bees, fur-bearing animals, or poultry; and a practice, including forestry or lumbering operations, performed by a farmer or on a farm as an incident to or in conjunction with farming operations, including preparation for market, delivery to storage, or delivery to market or to a carrier for transportation to market or the processing or preserving of perishable farm products.
  - (f) An employee who is not subject to the minimum hourly wage provisions of this act.
- (5) The director of the department of consumer and industry services shall promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to define the terms used in subsection (4).
- (6) For purposes of administration and enforcement, an amount owing to an employee which is withheld in violation of this section is unpaid minimum wages under this act.
- (7) The legislature shall annually appropriate from the general fund to each political subdivision affected by subsection (2) an amount equal to the difference in direct labor costs before and after January 4, 1979 which arises from any change in existing law resulting from the enactment of subsection (2) and incurred by each such political subdivision.
- (8) In lieu of monetary overtime compensation, an employee subject to this act may receive compensatory time off at a rate of not less than 1-1/2 hours for each hour of employment for which overtime compensation is required under this act, subject to all of the following:

Sec. 4a (8) Continued

- (a) The employer allows employees a total of at least 10 days of leave per year without loss of pay and provides the compensatory time to the employee only pursuant to either of the following:
  - (i) Applicable provisions of a collective bargaining agreement, memorandum of understanding, or any other written agreement between the employer and the representative of the employee.
  - (ii) If employees are not represented by a collective bargaining agent or other representative designated by the employee, a plan adopted by the employer and provided in writing to its employees that provides employees with a voluntary option to receive compensatory time off for overtime work when there is an express, voluntary written request to the employer by an individual employee for compensatory time off in lieu of overtime pay before the performance of any overtime assignment.
- (b) The employee has not earned compensatory time in excess of the applicable limit prescribed in subdivision (d).
- (c) The employee is not required as a condition of employment to accept or request compensatory time. An employer shall not directly or indirectly intimidate, threaten, or coerce or attempt to intimidate, threaten, or coerce an employee for the purpose of interfering with the employee's rights under this section to request or not request compensatory time off in lieu of payment of overtime compensation for overtime hours, or requiring an employee to use compensatory time. In assigning overtime hours, an employer shall not discriminate among employees based upon an employee's choice to request or not request compensation time off in lieu of overtime compensation. An employer who violates this subsection is subject to a civil fine of not more than \$1,000.00.
- (d) An employee may not accrue more than a total of 240 hours of compensatory time. An employer shall do both of the following:
  - (i) Maintain in an employee's pay record a statement of compensatory time earned by that employee in the pay period that the pay record identifies.
  - (ii) Provide an employee with a record of compensatory time earned by or paid to the employee in a statement of earnings for the period in which the compensatory time is earned or paid.
- (e) Upon the request of an employee who has earned compensatory time, the employer shall, within 30 days following the request, provide monetary compensation for that compensatory time at a rate not less than the regular rate earned by the employee at the time the employee performed the overtime work.
- (f) An employee who has earned compensatory time authorized under this subsection shall, upon the voluntary or involuntary termination of employment or upon expiration of this subsection, be paid unused compensatory time at a rate of compensation not less than the regular rate earned by the employee at the time the employee performed the overtime work. A terminated employee's receipt of or eligibility to receive monetary compensation for earned compensatory time shall not be used by either of the following:

Sec. 4a (8) Continued

- (i) The employer to oppose an employee's application for unemployment compensation under the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.1 to 421.75.
- (ii) The state to deny unemployment compensation or diminish an employee's entitlement to unemployment compensation benefits under the Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.1 to 421.75.
- (g) An employee shall be permitted to use any compensatory time accrued under this subsection for any reason unless use of the compensatory time for the period requested will unduly disrupt the operations of the employer.
- (h) Unless prohibited by a collective bargaining agreement, an employer may terminate a compensatory time plan upon not less than 60 days' notice to employees.
- (i) As used in this subsection:
  - (i) "Overtime compensation" means the compensation required under section 4a.
  - (ii) "Compensatory time" and "compensatory time off" mean hours during which an employee is not working and for which the employee is compensated in accordance with this subsection in lieu of monetary overtime compensation.
  - (iii) "Overtime assignment" means an assignment of hours for which overtime compensation is required under this act.

HISTORY: Add. 1974, p. Act 304, Eff. Apr. 1, 1975; Am. 1975, p. , Act , 1975, Eff. Apr. 1, 1975; - Am. Jan 4, 1979, Act. 604, Imd. Eff.; Am. 1997, Act 2, Imd. Eff. Mar. 12, 1997.

**408.384b Youth Training Wage**

Sec. 4b.(1) An employer may pay a new employee who is less than 20 years of age a training hourly wage of \$4.25 for the first 90 days of that employee's employment. The hourly wage authorized under this section is in lieu of the minimum hourly wage otherwise prescribed by this act.

- (2) An employer shall not displace an employee to hire an individual at the hourly wage authorized under subsection (1). As used in this subsection, "displace" includes termination of employment or any reduction of hours, wages, or employment benefits.
- (3) A person who violates subsection (2) is subject to a civil fine of not more than \$1,000.00.

HISTORY: Add. 1997, Act 1, Imd. Eff. Mar. 12, 1997.

**408.385 Wage deviation board; appointment, officers, quorum, compensation, expenses. (M.S.A. 17.255(5))**

Sec. 5.(1) The governor shall appoint, with the advice and consent of the senate, a wage deviation board composed of 3 representatives of the employers, 3 representatives of the employees, and 3 persons representing the public. One of the 3 persons representing the public shall be designated as chairperson. Members shall serve for terms of 3 years, except that of the members first appointed, 1 from each group shall be appointed for 1 year, 1 for 2 years, and 1 for 3 years. The commissioner shall be secretary of the wage deviation board.

Sec. 5 Continued

- (2) A majority of the members of the board constitutes a quorum and the recommendation or report of the board requires a vote of not less than a majority of its members. The business which the wage deviation board may perform shall be conducted at a public meeting of the board held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.
- (3) A writing prepared, owned, used, in the possession of, or retained by the wage deviation board in the performance of an official function shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.
- (4) The per diem compensation of the board and the schedule for reimbursement of expenses shall be established annually by the legislature.

HISTORY: Am. 1965, p. 433, Act 255, Imd. Eff. July 21,; - Am. 1966, p. 217, Act 191, Eff. Mar. 10, 1967; - Am. 1977, Act 169, P.A. 1977.

**408.386 Rules. (M.S.A. 17.255 (6))**

Sec. 6. The commissioner may promulgate rules necessary for administration of this act pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

HISTORY: Am. 1970, p. 91, Act 36, Imd. Eff. June 24, - Am. 1974, p. , Act 304, Eff. Apr. 1, 1975.

**408.387 Apprentices; learners, disabled persons. (M.S.A. 17.255 (7))**

Sec. 7. On petition of a party in interest or on his or her own motion, the director of the department of consumer and industry services shall establish a suitable scale of rates for apprentices, learners and persons with physical or mental disabilities who are clearly unable to meet normal production standards. The rates established under this section may be less than the regular minimum wage rate for workers who are experienced and who are not disabled.

HISTORY: Am. 1966, p. 383, Act 269, Eff. Mar. 1, 1975; Am. 1997, Act 1, Imd. Eff. Mar. 12, 1997.

**408.387a Reduction of wages because of gratuities. (M.S.A. 17.255 (7a))**

Sec. 7a (1) The minimum hourly wage rate of an employee shall be \$2.65 per hour if all of the following occur:

- (a) The employee receives gratuities in the course of his or her employment.
- (b) The gratuities described in subdivision (a) equal or exceed the difference between \$2.65 per hour and the minimum hourly wage established under section 4.
- (c) The gratuities are proven gratuities as indicated by the employee's declaration for federal insurance contribution act purposes.
- (d) The employee was informed by the employer of the provisions of this section.

Sec. 7a Continued

- (2) As used in this section, “gratuities” means tips or voluntary monetary contributions received by an employee from a guest, patron, or customer for services rendered to that guest, patron, or customer and that the employee reports to the employer for purposes of the federal insurance contribution act, chapter 21 of subtitle C of the internal revenue code of 1986, 26 U.S.C. 3101 to 3128.

HISTORY: Add. 1974, p. , Act 304, Eff. Apr. 1, 1975; Am. 1997, Act 1, Imd. Eff. Mar. 12, 1997.

**408.388 Wage deviation board; data from employer, hearings. (M.S.A. 17.255 (8))**

- Sec. 8. The wage deviation board may request data of any employer, subject to the provisions of this act, as to the wages paid and hours worked by his employees and may hold such hearings as it deems necessary in obtaining this information.

**408.389 Same; report, filing. (M.S.A. 17.255 (9))**

- Sec. 9. The wage deviation board shall submit its report to the commissioner who shall file it in his office as a public record together with the regulations established by the board.

**408.390 Same; reconsideration of deviated wage rate. (M.S.A. 17.255 (10))**

- Sec. 10. At any time after a deviated wage rate has been in effect for 6 months or more, the wage deviation board may reconsider the rate.

**408.391 Statement to employee, copy to commissioner; inspection, regulations and orders, posting. (M.S.A. 17.255 (11))**

- Sec. 11. Every employer, subject to the provisions of this act or of any regulation or order issued thereunder, shall furnish the employee a statement of the hours worked by the employee and of the wages paid to him listing deductions made each pay period and the employer shall furnish the commissioner upon demand a sworn statement of the same. Such records shall be open to inspection by the commissioner, his deputy or any authorized agent of the department at any reasonable time. Every employer subject to the provisions of this act or of any regulation or order issued under its provisions shall keep a copy of them posted in a conspicuous place in the area where employees are employed. The commissioner shall furnish copies of this act and the regulations and orders to employers without charge.

**408.392 Enforcement of act; confidential character of information. (M.S.A. 17.255 (12))**

- Sec. 12. The commissioner shall administer and enforce this act; and at the request of the wage deviation board may investigate and ascertain the wages of employees of an employer subject to this act. The commissioner and the commissioner’s employees shall not reveal facts or information obtained in the course of official duties, except as when required by law to report upon or take official action or testify in proceedings regarding the affairs of an employer subject to this act.

HISTORY: Am. 1977, Act 169, P.A. 1977.

**408.393 Payment of less than a minimum wage; civil action for difference; violation of act, filing claim with commissioner; investigation, civil fine. (M.S.A. 17.255 (13))**

- Sec. 13. (1) If any employer violates this act, the employee affected by the violation, at any time within 3 years, may:

Sec. 13 Continued

- (a) Bring a civil action for the recovery of the difference between the amount paid and the amount that, but for the violation, would have been paid the employee under this act and an equal additional amount as liquidated damages together with costs and such reasonable attorney's fees as may be allowed by the court.
  - (b) File a claim with the commissioner who shall investigate the claim.
- (2) If the commissioner determines there is reasonable cause to believe that the employer has violated this act and the commissioner is subsequently unable to obtain voluntary compliance by the employer within a reasonable period of time, the commissioner shall bring a civil action under the procedures and remedies as provided in subsection (1)(a). The commissioner may investigate and file a civil action under subsection (1)(a) on behalf of all employees of that employer who are similarly situated at the same work site and who have not brought a civil action under subsection (1)(a). A contract or agreement between the employer and the employee or any acceptance of a lesser wage by the employee is not a bar to the action.
- (3) In addition to bearing liability for civil remedies described in this section, an employer who fails to pay the minimum hourly wage in violation of this act, or who violates a provision of section 4a governing an employee's compensatory time, is subject to a civil fine of not more than \$1,000.00.

HISTORY: Am. 1966, p. 383, Act 269, Imd. Eff. July 12; Am. 1997, Act 1, Imd. Eff. Mar. 12, 1997.

**408.394 Non application of act; agricultural employers who contract on piecework basis; piece rate scale. (M.S.A. 17.255 (14))**

Sec. 14. The provisions of this act shall not apply to any employer who is subject to the minimum wage provisions of the federal fair labor standards act of 1938, as amended, except in any case where application of such minimum wage provisions would result in a lower minimum wage than provided in this act, or to persons employed in summer camps for not more than 4 months, to handicapped employees covered by a blanket deviation certificate or other special certificate issued under section 14(d) of the federal fair labor standards act of 1938, as amended, or to agricultural fruit growers, pickle growers and tomato growers, or other agricultural employers who traditionally contract for the harvesting on a piecework basis, as to those employees of such employers used for such harvesting until the board shall have acquired sufficient data to determine an adequate basis for the establishment of a scale of piecework and shall determine such a scale equivalent to the prevailing minimum wage for such employment, which determination shall occur no later than May 1, 1967. Such piece rate scale shall be equivalent to the minimum hourly wage in that when the payment by unit of production is applied to a worker of average ability and diligence in harvesting a particular commodity he shall receive an amount not less than the hourly minimum wage.

HISTORY: Am. 1965, p. 572, Act 296, Imd. Eff. July 22; - Am. 1966, p. 384, Act 269, Imd. Eff. July 12; - Am. 1969, p. 325, Act 160, Imd. Eff. Aug. 5.



**408.395 Discrimination against employees, penalty. (M.S.A. 17.255 (15))**

Sec. 15. Any employer who discharges or in any other manner discriminates against any employee because the employee has served or is about to serve on the wage deviation board or has testified or is about to testify before the board, or because the employer believes that the employee may serve on the board or may testify before the board or in any investigation under the provisions of this act, and any person who violates any provisions of this act or of any regulation or order issued under this act, is guilty of a misdemeanor.

**408.396 Consistent discharge of employees, presumption. (M.S.A. 17.255 (16))**

Sec. 16. Any employer who consistently discharges employees within 10 weeks of their employment and replaces the discharged employees without work stoppage is presumed to have discharged them to evade payment of the wage rates established in this act and shall be guilty of a misdemeanor.

HISTORY: Am. 1966, p. 384, Act 269, Eff. Mar. 1, 1967.

**408.397 Minimum wage; discrimination based on sex. (M.S.A. 17.255 (17))**

Sec. 17.(1) An employer having employees subject to the provisions of this act shall not discriminate between employees within an establishment on the basis of sex by paying wages to employees in the establishment at a rate less than the rate at which he pays wages to employees of the opposite sex in the establishment for equal work on jobs, the performance of which requires equal skill, effort and responsibility and which are performed under similar working conditions, except where the payment is made pursuant to (a) a seniority system; (b) a merit system; (c) a system which measures earnings by quantity or quality of production; (d) a differential based on a factor other than sex.

(2) An employer who is paying a wage differential in violation of this section shall not reduce the wage rate of an employee in order to comply with the provisions of the section.

For purposes of administration and enforcement, any amounts owing to an employee which have been withheld in violation of this section shall be deemed to be unpaid minimum wages under this act.

HISTORY: Add. 1971, p. 107, Act 62, Eff. Mar. 30, 1972.

**408.398 Violation of Act by an employer operating a massage establishment; misdemeanor; penalty. (M.S.A. 17.255 (18))**

Sec. 18. An employer operating a massage establishment as defined in section 2 of Act No. 251 of the Public Acts of 1974, as amended, being section 388.1852 of the Michigan Compiled Laws, who violated this act is guilty of a misdemeanor, punishable by imprisonment for not more than 1 year, or a fine of not more than \$1,000.00, or both.

HISTORY: Am. 1980, Act 97, Eff. Apr. 17, 1980.

**TO BE POSTED IN A CONSPICUOUS PLACE**

**MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES  
BUREAU OF SAFETY AND REGULATION  
WAGE AND HOUR DIVISION**

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